



**STATEMENT OF PROCEEDINGS FOR THE  
SPECIAL MEETING OF THE  
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 374-A  
LOS ANGELES, CALIFORNIA 90012**

**Wednesday, November 2, 2011**

**10:30 AM**

Present: Member Ollague, Member Mandel, Member Berberian and  
Member Cooper

Excused: Chair Glasgow, Member Jordan, Vice Chair Chough, Member  
Gallucci and Member Drew-Ivie

Call to Order. (11-4667)

**The meeting was called to order by Helen Berberian at 10:43 a.m.**

**I. ADMINISTRATIVE MATTERS**

1. Approval of the September 21, 2011 meeting minutes. (11-4649)

**On motion of Helen Berberian, seconded by Lisa Mandel, this item was approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**II. OLD BUSINESS**

2. Fiscal Review of Personal Involvement Center, Incorporated - A Foster Family Agency Foster Care Contractor (Continued from meetings of 3/2/11, 6/1/11 and 9/21/11). (11-0427)

**Don Chadwick, Auditor Controller (A-C), informed the Committee, that the A-C review included the Family Preservation and Wraparound programs. The draft report is being finalized with the agency and a written response from the agency has been requested. Mr. Chadwick added that the current audit as well as previous audits found that current County funds were used to pay prior outstanding audit findings. An updated report will be issued within the next two months.**

**By common consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)

3.     Review of Excel Family Intervention, Incorporated - A Foster Family Agency Foster Care Contractor (Continued from meetings of 3/2/11, 6/1/11 and 9/21/11). (11-0678)

**By common consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)  
                          [SUPPORTING DOCUMENT - AC REPORT](#)

4.     Koinonia Foster Family Agency - A Department of Children and Family Services Contract Service Provider - Contract Compliance Review (6/20/11) (Continued from meeting of 9/21/11). (11-3587)

**Karen Richardson, Department of Children and Family Services (DCFS), provided preliminary results of their review in which the agency had not implemented the recommendations by the A-C. She added that their review would be completed by the end of this year.**

**By common consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT AC - REPORT](#)

5.     Masada Homes (Counseling & Research Associates, Inc.) - A Department of Mental Health and Department of Children and Family Services Contract Provider - Contract Compliance Review (6/20/11) (Continued from meeting of 9/21/11). (11-3589)

**Latisha Thompson, DCFS reported that the agencies have been notified of future invoice deductions that will be taken over the next six months. There has been no response. An effective date of implementation will be given.**

**Lisa Mandel expressed concern that the deductions would negatively impact the program. Ms. Thompson explained that \$16,000 would be deducted from payments over a six month period. The amount should not affect the program because the deduction will be from future overpayment funds.**

**Don Chadwick, A-C added that the agency claims to have spent the past excess funds for the Wraparound program, however at the time of the audit the funds were still there.**

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Lisa Mandel requested DCFS to examine the impact the deductions will have on the program. Ms. Thompson explained that the deductions will be taken from Wraparound payments.

A discussion over Wraparound placement and contractual questions ensued concerning non-referral of new Wraparound clients to agencies that are not in good standing. Tom Fagan, County Counsel recommended contacting David Beaudet to confirm the details of the contract. Lisa Mandel asked DCFS to report back on this issue.

At the request of Springsong Cooper, Don Chadwick, will work with DMH on their audit resolution and report back on what DMH has done in relation to this contractor.

By common consent, there being no objection, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT AC - REPORT](#)

6. Inner Circle Foster Family Agency - A Foster Family Agency Foster Care Contractor - Fiscal Review (7/11/11) (Continued from meeting of 9/21/11). (11-3691)

Latisha Thompson, DCFS informed the Committee she had spoken with Risk Management and it was explained that Group Home and Foster Family Agency contracts do not normally require insurance coverage that would cover embezzlement. This type of coverage is only required for contractors who pick-up, carry, or handle cash for the County. However, this requirement could be a department decision and would need to be analyzed. Due to the costs involved the contractor may site that the requirement is not warranted since their scope of work does not include handling cash for the County.

A discussion ensued over whether employees handling payments from the County would qualify for the insurance requirement. Ms. Thompson said she would inquire.

Mike McWatters, A-C stated that this was the first incident he is aware of that involves embezzlement and suggested it may have been due to an oversight on the agency's behalf.

Aggie Alonso, A-C informed the Committee that they will work with DCFS in evaluating if the agency meets the criteria for being placed on CARD.

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Ms. Thompson stated that the agency has filed a civil suit and the employee accused of embezzlement has pleaded guilty. The court sentencing is scheduled for January.

Lisa Mandel suggested that a representative from DCFS or County Counsel be present at the hearing in terms of being an affected party which may factor into the sentencing and restitution. Tom Fagan, County Counsel advised that the District Attorney (DA) should be contacted prior to the hearing. Latisha Thompson, DCFS will collaborate with County Counsel in contacting the DA.

A discussion over the renewal of contracts ensued. Karen Richardson, DCFS stated that the Request for Statement of Qualifications (RFSQ) for Foster Family Agencies (FFA) could be released in 2013. Helen Berberian suggested that non-contracted FFA's be evaluated and added that having a larger selection of providers to consider may present better options.

Ms. Richardson stated that even though there are fiscal concerns, their reviews have not revealed an impact on placement. She explained that if an agreed payment plan with the County is not fulfilled then DCFS would collaborate with the Fiscal Department in determining a plan. However, that has not been done.

By common consent, there being no objection, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT - AC REPORT](#)

7. Children Are Our Future Review - A Group Home Foster Care Contractor (Continued from meetings of 6/1/11 and 9/21/11) (9/6/11). (11-2369)

**Lisa Campbell, Probation Department (Probation) reported that over the past 18 months there have been no major issues. There was an improvement in staffing and the agency had successfully completed the Corrective Action Plan (CAP).**

**Latisha Thompson, DCFS reported that current contract funds are being used for repayment. This is based on the bankruptcy plan which allows income to be used for repayment. Approximately, \$20K related to the bankruptcy is being paid monthly.**

**The Committee questioned how the agency is able make these monthly payments without negatively affecting the program.**

Ms. Campbell stated that the agency has downsized from 13 to 8 sites over the past five years which allows this payment with no impact to the program. Michelle Guyman, Probation added that the agency has maximized capacity and had not incurred any overpayments.

Jim Schneiderman, A-C pointed out that the bankruptcy terms likely decreased their debt payments which may explain their ability to make the monthly payments.

Ms. Campbell assured the Committee that they will continue to closely monitor the agency.

Louisa Ollague expressed the necessity of a discussion in relation to developing policy on how to address issues of sustainability and fiscal viability. Lisa Campbell, Probation expressed the same concern.

Aggie Alonso, A-C stated that the agency will be evaluated as a potential candidate for CARD.

Discussion over warning agencies of issues and placing stipulations that may affect upcoming RFSQ's ensued.

Don Chadwick, A-C suggested establishing a policy that stipulates clients not be referred to agencies in CARD. Helen Berberian pointed out that management of placement would be difficult.

Ms. Thompson stated that they are working with A-C on improving the management and monitoring of the agencies.

By common consent, there being no objection, this item was continued to the next meeting.

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)  
                              [SUPPORTING DOCUMENT - DCFS REPORT](#)  
                              [SUPPORTING DOCUMENT - PROB REPORT](#)

**III. REPORTS**

8. Leroy Haynes Center for Children and Family Services, Inc. - A Group Home Foster Care Contract Provider - Fiscal Review (9/1/11). (11-4648)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)

9. Families for Children, Inc. Foster Family Agency - A Department of Children and Family Services Contract Services Provider - Contract Compliance Review (6/20/11). (11-3584)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)

10. Community Youth Sports & Arts Foundation Contract Compliance Monitoring Review (9/6/11). (11-4651)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - PROB REPORT](#)

11. Trinity Youth Services, Sites: El Monte, Apple Valley, Yucaipa, and Norco, Contract Compliance Monitoring Reviews (9/30/11). (11-4653)

**Helen Berberian informed persons in the room that an anonymous complaint was received.**

**Lisa Campbell, Probation informed the Committee that they are pending the final audit report and agency response to the CAP. The agency has the opportunity to submit documentation that may reduce the balance. On the program side the outstanding issues have been resolved.**

**Discussion over the placement of clients in agencies that are not fiscally viable ensued.**

**By common consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT - PROB REPORT](#)

12. Heritage Group Homes Contract Compliance Monitoring Review (9/15/11). (11-4659)

Lisa Mandel questioned the quality of life issues in the report.

Karen Richardson, DCFS reported that five of the eight recommendations from the review have been fully implemented as of late September. In regards to the Needs & Services Plan (NSP) a workgroup involving A-C has been meeting to evaluate this tool. She added that there is NSP training scheduled in January, 2012 for all of the providers. Through the workgroup's efforts, this training will provide a more clear and concise worksheet and tool for the providers.

Springsong Cooper expressed her concern on NSP compliance issues.

Aggie Alonso, A-C, reminded the Committee that although CARD lowers the score of a provider it does not necessarily prevent a contract from being awarded.

Lisa Mandel questioned the use of RFSQ over an RFP. Tom Fagan, County Counsel provided a brief background on this and explained that the RFSQ is more streamlined and better suited for these purposes however, there are limitations to restructuring the RFSQ. He recommended requiring audited financial statements. Robert Campbell, A-C added that evaluating payroll taxes would be useful as well in determining viability and should be included in the RFSQ.

Lisa Mandel concluded that a better RFSQ should be implemented that is inclusive of factors that address the issues discussed repeatedly.

Helen Berberian acknowledged that although the RSFQ resolves some concerns, the reduced points due to a CARD entry has more impact than the subjective decision resulting from an RFP.

By common consent, there being no objection, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT - DCFS REPORT](#)

13. Youth Services Network Group Home Contract Compliance Monitoring Review (9/2/11). (11-4660)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - DCFS REPORT](#)

14. ChildHelp USA Group Home Contract Compliance Monitoring Review (Riverside and Orange Counties) (8/4/11). (11-4661)

**Springsong Cooper requested a general report back from DCFS on the timeliness of psychotropic medication authorizations.**

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - DCFS REPORT](#)

15. West Covina Group Home Contract Compliance Monitoring Review (San Bernardino County) (8/26/11). (11-4662)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - DCFS REPORT](#)

16. Probation Department - Juvenile Camp Department of Justice Settlement Agreement Monitoring for June 1, 2011 through August 31, 2011 - Third Status Report (10/20/11). (11-4668)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)

17. Second Status Report - Department of Children and Family Services' Youth Development Services Division (Board Agenda Item 51-B, June 14, 2011) (9/29/11). (11-4652)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)



18. Second Status Report - Review of the Department of Children and Family Services' Emergency Response Command Post (Board Agenda Item 7, July 12, 2011) (10/5/11). (11-4655)

**By common consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT - AC REPORT](#)

#### **IV. DISCUSSIONS**

19. Comprehensive Schedule of Audits and Results for DCFS Group Home and Foster Family Agency Contractors (Continued from meeting of 6/1/11). (11-0965)

**By common consent, there being no objection, this item was continued to the next meeting.**

20. Status on Contract Language Changes to the Group Home and Foster Family Agency Form Contracts (Continued from meeting of 6/1/11). (11-0969)

**By common consent, there being no objection, this item was continued to the next meeting.**

21. Probation Group Home Monitoring Report (Continued from meeting of 6/1/11). (11-0970)

**By common consent, there being no objection, this item was continued to the next meeting.**

22. DCFS GH/FFA Fiscal Audits (Continued from meeting of 6/1/11). (11-0971)

**By common consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT - DCFS REPORT](#)  
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#### **V. MISCELLANEOUS**

23. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (11-1259)

**Lisa Mandel recognized that this was Helen Berberian's last meeting as Chair. She thanked and acknowledged her for a job well done and thanked staff for the great organization of the meetings.**

**Helen Berberian agreed and thanked staff for an amazing job.**

**24. Public Comment (11-2590)**

**No members of the public addressed the Committee.**

**25. Adjournment (11-4663)**

**There being no further business to conduct, the meeting was adjourned at 12:04 p.m.**